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PASS WHITE HOUSE FOR DR. BREZEEZINSKI

E.O. 12065: RDS 1/26/2000 (RUSER, CLAUS W.) OR-M
TAGS: PGOV, EPAP
SUBJECT: GENERAL GOODPASTER'S MISSION: PRESIDENT VIDELA'S
VIEWS ON ARGENTINE COOPERATION IN GRAINS EXPORT RESTRICTIONS

REF: RIO 0313

1. (S-ENTIRE TEXT)

2. DURING CALL BY GENERAL GOODPASTER AT SUMMER RESIDENCE
NEAR MAR DEL PLATA JANUARY 25, PRESIDENT VIDELA
DISCUSSED AT SOME LENGTH THE QUESTION OF ARGENTINE
COOPERATION IN THE US GRAINS EMBARGO. HIS EXPOSITION
CLOSELY FOLLOWED THE POSITION PREVIOUSLY OUTLINED BY
MINISTER OF ECONOMY MARTINEZ DE HOZ AND FOREIGN MINISTER
PASTOR IN BUENOS AIRES ON JANUARY 23 AND 24.

3. THE PRESIDENT SAID THAT HE RECOGNIZES ARGENTINA MUST
DEAL WITH THIS QUESTION WITHIN THE WIDER CONTEXT OF THE
NEW SITUATION CREATED BY THE SOVIET INVASION OF AFGHANI-
STAN. ARGENTINA HAS BEEN RECONSIDERING ALL ITS BI-
LATERAL RELATIONSHIPS, AND THE GOA MIGHT HAVE SOUGHT TO
GAIN POLITICAL AND ECONOMIC ADVANTAGE FROM THE CURRENT

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WORLD SITUATION. THE GOA DID NOT INTEND TO DO SO. HE WISHED
TO STRESS THAT ARGENTINA WAS A SERIOUS AND RESPONSIBLE
COUNTRY, AND THAT THE GOA DID NOT FOLLOW OPPORTUNISTIC,
DEMAGOGIC POLICIES AS HAD SOME ARGENTINE REGIMES IN THE
PAST. ARGENTINA BELONGS TO THE WEST, AND HE WAS HAPPY THAT
THESE FACE-TO-FACE CONSULTATIONS HAD TAKEN PLACE.

4. AT THE SAME TIME, IN DEALING WITH THIS ISSUE, THE GOA
COULD NOT IGNORE THE DOMESTIC POLITICAL ASPECTS AND SENSI-
TIVITIES INHERENT IN ANY CHANGE OF ARGENTINA'S POLICY.
THERE WOULD BE A STRONG AND FERVENT NATIONALISTIC REACTION
IN ARGENTINA IF IT APPEARED THE US HAD SOUGHT TO IMPOSE
ITS VIEWS.

5. THE ARGENTINE POSITION, VIDELA SAID, IS WELL KNOWN.
FREEDOM IS A BASIC ARGENTINE VALUE. THE GOA UPHOLDS THE
PRINCIPLE OF FREE TRADE. PASTOR AND MARTINEZ DE HOZ HAD
PROVIDED THE ARGENTINE REASONING IN THE MATTER. THE
UNDERSTANDINGS THAT HAD BEEN REACHED IN THESE TALKS WERE
A BEGINNING AT MUTUAL COMPREHENSION OF EACH OTHER'S
THINKING AND CAPABILITY FOR ACTION. THERE WAS, OF COURSE,
A POINT OF DISAGREEMENT: THE US BELIEVES THAT A BOYCOTT
CAN BE EFFECTIVE; THE GOA DOES NOT CONSIDER THE EMBARGO AN
EFFECTIVE RESPONSE TO THE SOVIETS BECAUSE IT IS NOT POSSI-

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BLE TO DEVISE EFFECTIVE CONTROLS. BUT, VIDELA AGREED, THIS WAS A DISCUSSABLE POINT. ARGENTINA'S VIEW ON THE EFFECTIVENESS OF A BOYCOTT WAS NOT THE REASON FOR ARGENTINA'S APPROACH.

6. THE BASIC POINT, VIDELA SAID, WAS THAT IT WAS NOT IN ARGENTINA'S INTEREST TO DEVIATE FROM ITS NORMAL PATTERN OF TRADE. ARGENTINA WISHED TO MAINTAIN ITS NORMAL LEVEL OF EXPORTS TO THE COUNTRIES THAT NORMALLY BUY ARGENTINA'S

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GRAINS EXPORTS. THIS MEANT NOT JUST HISTORIC LEVELS BUT ALSO SOME GROWTH IN ACCORDANCE WITH THE EXPANSION OF ARGENTINA'S EXPORT MARKETS AND THE GROWTH OF ITS OWN PRODUCTION.

7. VIDELA SAID ARGENTINA COULD, HOWEVER, GIVE NOT GUARANTEES WITH RESPECT TO THE ULTIMATE DESTINATION OF ITS EXPORTS AND WONDERS WHETHER, BEYOND ITS EFFORTS TO MAINTAIN THIS NORMAL PATTERN OF EXPORTS, AN EFFICIENT CONTROL OF THEIR ULTIMATE DESTINATION IS ATTAINABLE. ARGENTINA COULD PROVIDE INFORMATION ON THE DESTINATION AS EXPORTS LEAVE THE COUNTRY. ARGENTINA WAS WILLING TO AGREE IN PRINCIPLE THAT THESE EXPORTS AS THEY LEAVE THE COUNTRY SHOULD NOT EXCEED CERTAIN LEVELS. BUT THE GOA WISHED TO BE SURE THAT THIS GENERAL UNDERSTANDING BE HELD IN STRICT CONFIDENCE BETWEEN THE TWO GOVERNMENTS IN VIEW OF NATIONALIST SENSITIVITIES IN ARGENTINA. (COMMENT: IN AN EARLIER DISCUSSION MARTINEZ DE HOZ WARNED THAT IF THE UNDERSTANDING ON LIMITING DIRECT EXPORTS TO THE SOVIET UNION WERE TO BECOME KNOWN, THE GOA WOULD DENY IT. HE REITERATED THIS POINT ON THE STRICT CONFIDENTIALITY AFTER THE MEETING WITH VIDELA - SEE SEPTCL.)

8. VIDELA CONCLUDED THIS PART OF THE DISCUSSION BY NOTING THAT THIS ISSUE OF GRAINS EXPORTS, WHILE VERY IMPORTANT, WAS ONLY ONE OF SEVERAL ISSUES IN OUR BILATERAL RELATIONSHIP. ARGENTINA'S LEADERS DID NOT WISH THAT THEIR PARTICIPATION IN THE GRAINS BOYCOTT BE THE PRICE TO BE PAID FOR BETTER RELATIONS. ARGENTINA WAS NOT PREPARED TO NEGOTIATE ON ITS LEGITIMATE RIGHTS AND INTERESTS.

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